

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

February 17, 2009

9:30 a.m.

Robert F. Carlson Auditorium
Lincoln Plaza North
400 Q Street
Sacramento, CA

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
John Chiang
Patricia Clarey
Rob Feckner
David Gilb
Henry Jones
Bill Lockyer
Louis F. Moret
Tony Oliveira
Kurato Shimada
Charles Valdes

CLOSED SESSION	9:00 a.m. Interim Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and 11126(c)(16))
CLOSED SESSION BOARD OF ADMINISTRATION	9:15 a.m., or Upon Adjournment or Recess of the Investment Committee Closed Session, whichever is later Personnel Issues and Potential Litigation – Executive Order (Government Code sections 11126(a)(1) and 11126(e))
OPEN SESSION	9:30 a.m., or Upon Adjournment or Recess of the Board of Administration Closed Session
CLOSED SESSION	Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16))

AGENDA

OPEN SESSION

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the December 15, 2008 Open Session Minutes |
| Action / Policy Subcommittee
Chair Jones | 3. December 2008 Policy Subcommittee Report <ul style="list-style-type: none">a. Total Fund - Adoption of Policy on Divestmentb. Global Fixed Income – Revision of Policy on Global Fixed Income Programc. Global Equity<ul style="list-style-type: none">1) Revision of Policy on Internally Managed Global Equity Index Funds2) Revision of Global Principles of Accountable Corporate Governanced. Supplemental Income Plans – Revision of Policy on Supplemental Income Planse. Policy Review and Consolidation Project – Revision of Ethics Policies<ul style="list-style-type: none">1) Revision of Policy on Insider Trading2) Revision of Policy on Consultant Conflict of Interestf. Policy Review and Consolidation Project – Revision of Shareowner Activities Policies<ul style="list-style-type: none">1) Revision of Policy on Corporate Governance Director Nominations2) Revision of Policy on Representation on Corporate Boards of Directors3) Revision of Policy on Economically Targeted Investment Program |
| Information / Farouki Majeed
Information / Matt Flynn
Information / Kami Niebank | 4. Total Fund <ul style="list-style-type: none">a. Asset Allocation Updateb. CalPERS Business Objective 9.1c. Update on the General Pension Consultant Services Spring-Fed Pool Request for Proposal |
| Information | 5. Real Estate |
| Information / Kami Niebank
Information / Leon Shahinian | 6. Alternative Investments Management (AIM) <ul style="list-style-type: none">a. Update on Private Equity Consultant Request for Proposalb. California Initiative Annual Review |

Information / Farouki Majeed	7. Inflation-Linked Asset Class (ILAC) a. Implementation Update
Information / Curtis Ishii	8. Global Fixed Income a. Credit Enhancement Program Annual Review
Information / Eric Baggesen	9. Global Equity a. Risk Management Absolute Return Strategy (RMARS) Panel Discussion
Action / Eric Baggesen	b. Legislative Reports: Holocaust Era and Northern Ireland Annual Reports
Action / Eric Baggesen	c. Selection of International Developed/Emerging Markets Managers for Spring-Fed Pool
Action / Eric Baggesen	d. Active Internal Equity – Capital Allocation
Information / Wilshire Associates	e. Consultant Review of Internal Enhanced Index Program
Information / Eric Baggesen	10. Global Equity – Corporate Governance a. International Accounting Standards
Action / Eric Baggesen	b. Corporate Board Diversity Update
Information / Eric Baggesen	c. Market Reform Principles
Information	11. Supplemental Income Plans (SIP)
Information / Ted Eliopoulos and Ken Marzion	12. Chief Investment Officer's/Chief Operating Investment Officer's Report a. Consolidated Investment Activity Report b. Chief Operating Investment Officer's Status Report c. 2009 Annual Agenda Item Calendar
Information	13. Draft Agenda for March 16, 2009
	14. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16))

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the December 15, 2008 Closed Session Minutes |
| | 3. Total Fund |
| Action / Eric Baggesen | a. Divestment Issues |
| Information / Farouki Majeed | b. Asset Allocation and Liquidity Update |
| | 4. Real Estate |
| Information / Ted Eliopoulos | a. Strategic Plan Implementation Update |
| Information | 5. Alternative Investments Management (AIM) |
| Information | 6. Inflation-Linked Asset Class (ILAC) |
| | 7. Global Fixed Income |
| Information / Curtis Ishii | a. Member Home Loan Program Update |
| Information | b. External Manager Update |
| Information / Curtis Ishii | c. Securities Lending Program Update |
| | 8. Global Equity |
| Information / Eric Baggesen | a. External Manager Update |
| | 9. Supplemental Income Plans (SIP) |
| Information | a. External Manager Update |
| Information / Ted Eliopoulos | 10. Chief Investment Officer's/Chief Operating Investment Officer's Report |
| | a. Status of Action Items Not Yet Reported |
| Information / Ted Eliopoulos | 11. Activity Reports |
| | a. Alternative Investments Management |
| | b. Real Estate |
| | c. Risk Managed Absolute Return Strategies |
| | d. Corporate Governance |
| | e. Inflation-Linked Assets |